

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2650 - SB 2515

January 25, 2012

SUMMARY OF BILL: Increases from \$50,000,000 to \$100,000,000 the required balance for the general shortfall reserve subaccount (GSRS) for net lottery proceeds. Requires the Comptroller of the Treasury to review annually and report to the education committees of the Senate and House of Representatives on the adequacy of the balance in the GSRS, whether payment from net lottery proceeds has been sufficient to fund scholarship programs without having to draw from the GSRS, and whether triggers for replenishing or increasing the GSRS are sufficient.

ESTIMATED FISCAL IMPACT:

Increase State Revenue –

\$50,000,000/One-Time/General Shortfall Reserve Subaccount

Decrease State Revenue – \$50,000,000/One-Time/Lottery for Education Account

Assumptions:

- Net lottery proceeds will be used to increase the balance of the GSRS.
- To increase the balance of the GSRS as required by the bill, \$50,000,000 that would have otherwise been deposited to the Lottery for Education Account (LFEA) would have to be deposited into the GSRS. Therefore, a one-time shift of \$50,000,000 from the LFEA to the GSRS.
- Any increase in state expenditures for the Comptroller to conduct a review concerning the GSRS, and to report to the education committees of the Senate and House of Representatives, will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/rnc

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